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INFO RUEHEG/AMEMBASSY CAIRO PRIORITY 0214  
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 0241  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0012  
RUEHBJ/AMEMBASSY BEIJING 0813  
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C O N F I D E N T I A L UNVIE VIENNA 000123

SIPDIS

DEPARTMENT FOR ISN/MNSA, VCI/NA, L/ACV, IO/UNP, IO/T  
GENEVA FOR CD DEL  
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TAGS: [AORC](#) [KTBT](#) [PARM](#) [CTBT](#) [KPAL](#) [IS](#)

SUBJECT: ISRAEL CONSIDERING PALESTINE OBSERVERSHIP AT THE  
CTBTO

Classified By: Ambassador Gregory Schulte, Reason 1.5 (B and D)

1. (C) Summary: Following up discussions with incoming Comprehensive Test Ban Treaty (CTBT) Prepcom Chair Australia, Israeli Ambassador Michaeli met March 19 with DCM to review the long-standing issue of Palestinian observership and to float the idea of "package deal" in which Israel might acquiesce to Palestinian Authority (PA) observership at CTBTO in exchange for progress on Israel's position within the MESA group (the MESA group has never met, due to Iran's refusal to sit together with Israel) and the activation of CTBT monitoring stations in the Middle East. Michaeli speculated that Prepcom Chair Australia was pushing the suggestion of a "package deal" in the hope this might help to save the Prepcom from getting bogged down on the observer issue, even if any resolution is still years away. Emphasizing that he was speaking without instructions at a time of government flux in Jerusalem, Michaeli suggested that a US demarche on Israel might be helpful to ensure that the Australian idea gets a serious hearing inside the GOI. End Summary.

2. (C) Israeli Ambassador to the CTBTO and IAEA Israel Michaeli asked to see DCM on March 19 to review dynamics with the Arab group in both organizations. On the latter, Michaeli was concerned about the improbability of another successful parliamentary maneuver to deal with Egyptian moves against Israel at the IAEA General Conference, and welcomed the prospect of early bilateral engagement on our strategy (see sep email to ISN/RA). Regarding CTBTO, Michaeli wanted to share with us his recent conversations with incoming CTBTO Prepcom Chairman Peter Shannon of Australia. Michaeli reported that Shannon had called on him looking for Israeli flexibility on the long outstanding question of Palestinian observership, which Israel and the US have opposed in the

past. Michaeli noted that in addition to the Palestinian question, Israel has two other areas of concern. The first is the continued failure of the MESA group to meet, due to Iran's refusal to sit together with Israel. The second is the gap in International Monitoring System (IMS) coverage in the Middle East (and on into South Asia). Egypt has never started work on its IMS station. Iran has completed some stations but does not report data. Saudi Arabia is dragging its feet. Pakistan and India do not participate. Responding to these issues, Michaeli said, Ambassador Shannon raised the possibility of a "package deal" in which Israel might look the other way on PA observership, in exchange for movement on MESA and Middle East IMS stations (with MESA being much more important for Israel). These intertwined issues will never be solved by the Prepcom in June, Michaeli added, but "perhaps we could create a process."

13. (C) Emphasizing that he had absolutely no mandate from Jerusalem to pursue this issue, Michaeli confided that "I believe I can convince people to discuss a package seriously." To make that more likely, he added, it would be helpful for Washington to convey in Jerusalem the view that the question of Palestine at the CTBTO merits attention and might be worth addressing in the context of trying to manage other Arab-Israeli issues in Vienna. Michaeli told AC Couns on March 24 that he now had the go ahead from his MFA to move on this proposal, without making any formal commitments. He agreed that it was very difficult to believe Iran would accept the proposal, since they really do not want a resolution of the issue. However, we (and Australia) see merit in this package deal as a means of putting the onus on

others for the lack of resolution on Middle East issues inside CTBTO.

14. (C) Comment and Action Request: The issue of Palestinian observership at the CTBTO is a side show in Vienna that has little practical importance for the work we do here. It does, however, help to poison an already difficult Arab-Israeli dynamic across the Vienna international organizations. As we look to rebuild a climate of consensus on difficult issues like Iran and the IAEA budget, the Australian idea of a package deal on Palestinian observership may be worth a second look in Washington and Jerusalem. Ambassador Michaeli (strictly protect) clearly would welcome some US encouragement in this direction and UNVIE recommends consideration of a demarche by Embassy Tel Aviv to encourage creativity in addressing these Vienna issues. End Comment.

SCHULTE